

# CHARITABLE GAMING HIGHLIGHT\$



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## Rock & Rollover A Charity Game Ticket Explosion

The Charitable Gaming Division's newest ticket, Rock & Rollover, has been sensational! This is the Lottery's first *progressive* charity game ticket, providing bingos with a new opportunity to offer big prizes and build excitement. In October, a Monday night bingo in Flint reported selling 13 boxes before the rollover was won. This amounted to one player winning \$2,200! For details on how Rock & Rollover works, go to our website at [www.michigan.gov/cg](http://www.michigan.gov/cg).

The following are frequently asked questions regarding Rock & Rollover:

**1. If the \$150 bonus prize is not won, do I hang onto the money or deposit it?**

All cash, except start cash, should be deposited per Bingo Rule 330 (8) that states, in part, "All monies derived from the conduct of the licensed gaming event shall be deposited into the licensee's financial account within 2 business days of the bingo occasion."

**2. What if I don't have enough start cash to pay for a large Rollover Jackpot?**

A check may be written for a charity game ticket prize.

NOTE: Because the Charity Game Ticket Cash Accountability form only accounts for cash, make a notation on the Rock & Rollover Accountability form of the check number, check date, and amount of the check. This form is to be maintained with your weekly records and referred to when completing your financial statement.

**3. Are we responsible for reporting payment of high prize amounts to the IRS?**

If the total prize is \$600 or more, an IRS W-2G must be completed for the winner. If the winner refuses or is unable to produce proper identification--verifying social security number, name, and address--the licensee must withhold 28% of the prize and report it to the IRS on Form 945.

**4. Does the \$250 prize count toward the \$600 mentioned above?**

Yes. When calculating the total prize, the IRS considers all prizes won by one wager--the \$250 diamond prize plus the \$150 bonus prize plus the rollover jackpot. Therefore, once you are into the third box of a progression (when the rollover jackpot is at \$300) your total prize will exceed \$600.

**5. Can the windows be opened privately?**

Absolutely not! The integrity of this game is very important. The diamond number winner is unveiled in front of the players (tear the top window completely off) *and* the bonus window is chosen, confirmed, and opened in front of the players.

**6. Once the bonus prize window has been selected, can the remaining bonus prize windows be opened?**

No! Open *only* the window that is chosen by the diamond number winner.



Employees of the Michigan Lottery are not agents of the IRS nor are they tax consultants. Each organization should contact a licensed professional or the IRS for more information. To contact the IRS Exempt Organization Unit, call 1-877-829-5500. To receive a copy of Publication 3079 or other tax publications or forms, call 1-800-829-3676 (FORM) or go to the IRS website at [www.irs.gov](http://www.irs.gov).

# Bill Clay Retires After 26 Years of State Service

The Charitable Gaming Division bid farewell to Inspector Bill Clay who retired October 21, 2004. Bill has been with the Lottery for 24 years and has served us well. Most recently, Inspector Clay was responsible for inspections in Washtenaw, Lenawee, Monroe, and parts of Wayne County.

Bill plans to increase his outdoor activities and will be learning to refine his fishing skills.

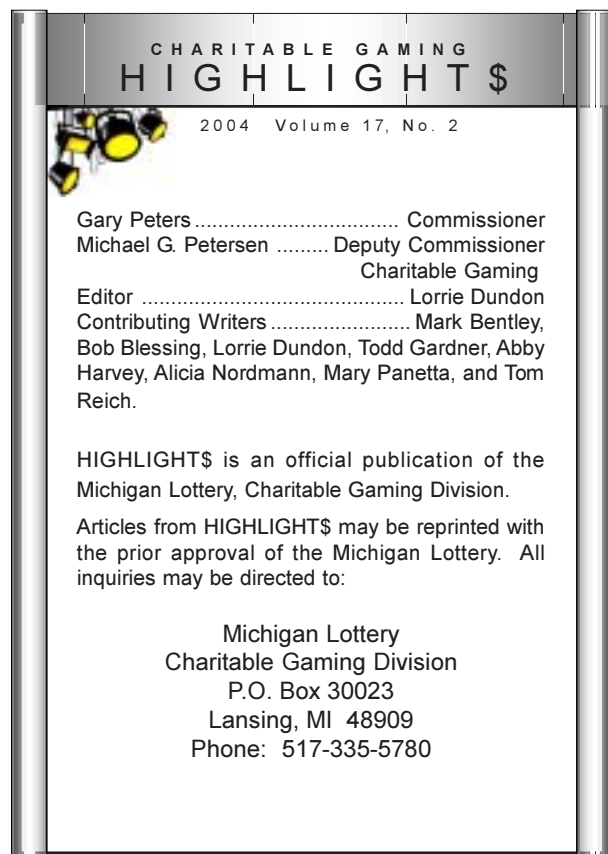
We will miss Bill's candidness, quick wit, and most of all, the friendly manner in which he served Michigan.

Enjoy your retirement Bill! It is well earned.



Bill Clay with Division receptionist Becky Flynn

To make room for new games, once existing inventory has been depleted, **Keepers Gems** will no longer be available.



## Look at Us Now!



The Michigan Lottery Charitable Gaming Division's website is continually changing in an effort to be more efficient and to address concerns that you may have. Changes that are occurring presently or in the near future include:

- Bingo game search by city or county
- New "Player's Corner"
- IRS tax information
- Inspector contacts

Also, please be aware that if you are in need of an issue of HIGHLIGHT\$ or an Annual Report, the most recent versions of these publications are always accessible on our website.

Check us out at [www.michigan.gov/cg](http://www.michigan.gov/cg).

# Bingo Signage—First Impressions Matter

You can usually count on your regular customers to show up every week. But if you want to increase attendance and make a profit, you'll need to attract new customers. One way to attract new customers is to make a positive first impression on them through your bingo sign.

You may want to update your current sign. Sometimes you need to spend money to make money. Displaying a large, simple, and attractive sign at your location can be an economical way to attract new players. Make it large enough to be read as people drive by your location.

Here are some things to think about when updating or creating a sign:

- Keep it simple - arrange the information so it can be easily read in a few seconds by passing motorists.
- Use a simple color scheme and logos or pictures to create interest.
- At a glance, your sign should appear clean, organized, and in good condition.
- Examine your sign at night. Can it still be read from a car?
- Consider adding a flood light if your sign is not currently lit at night.
- Include the day and time your bingo is conducted.
- All advertising must contain the name of the organization, the license number, and the purpose for which the proceeds will be used.
- Use the word "bingo" with your sign.



Licensed hall owners are permitted to provide a space for signage next to the bingo hall for use by the organizations playing bingo at that location. Insist that your landlord provide signage that meets the criteria stated above.

In today's competitive market, it is important that you put your best foot forward when advertising your bingo. Your bingo game is facing stiff competition for dollars being spent at movie theatres, restaurants, bowling centers, casinos, shopping malls, and even other bingo games. Take some time to study how these businesses advertise their services or merchandise. You never know where you might find a good idea that you could apply to advertising your bingo game. So get your creative mind flowing and design a fun, flashy, and interesting sign that's sure to pull in new players!

## Annual Report News

Effective immediately, the Charitable Gaming Division will no longer mail Annual Reports. All recent versions will be available on our website at [www.michigan.gov](http://www.michigan.gov).

# Last bingo in Michigan closes

## Lansing

*That's a headline we hope we never see. The amount of competition faced by nonprofit bingos is overwhelming. If nothing is done, the bingo industry in Michigan will continue to stumble along until it becomes extinct.*

If we are to prevent this continued decline, it will require the bingo halls, bingo licensees, and the Charitable Gaming Division (CG) to work together. CG has implemented changes such as the Michigan Progressive Jackpot Bingo Game and Electronic Bingo Minding Devices. We are working on additional changes to help all bingo licensees to compete directly with the casinos.

Although the average bingo profit per licensee in 2004 was \$21,507, many bingos made a lot less and a few made a lot more. We realize that some bingos, because of their remote locations, may be catering to a very limited market. If these bingos could attract only ten more players each, that would make a significant change in their bingo profit.

You as the bingo licensee may need to make some changes. If you are playing the same game format you had in the 90's, think about fresher formats. Playing fewer games with bigger prizes and/or shortening the bingo session might help. Doing theme sessions around holidays could bring some interest to your bingos. Make sure your bingo workers are polite and helpful. Finally, figure out how to attract younger players.

Advertise your event. If you are changing things up, let players know about it. As with all advertising, include the name of your organization, license number, and the cause for which the net proceeds will be used. Don't forget location, day, and time!

Compare your bingo location or hall to the nearest bingo hall or casino. Which one looks newer, fresher, and more inviting? If you own the facility, do you need to spend some money to make it more attractive, both inside and out? If playing at a rental hall, talk to your landlord about improving the hall. Providing a clean and inviting bingo hall may cost you a little more, but wouldn't it be worth paying a little more rent if you bring in new players?

That old saying, "It takes money to make money," has some truth to it. Step back and take a realistic look at your hall. Start with your bingo sign. Does it stand out from all the other clutter along the road? Is it easily read as you drive by? Does it include the word "bingo"? Is it well lit? Can it be read at night? Your sign is the primary way for you to attract new customers to your licensed bingo.

Consider the exterior of your hall. Does it need paint? Is it attractive? It is easy to overlook the slow deterioration of a building that you enter each day. What about your parking lot? Is it in good repair and well lit?

Evaluate the interior. Are the tables and chairs in good shape? What about the bathrooms? You would be surprised how important they are to players. Don't forget to look at your ceiling and lighting. Is it adequate, less than adequate, or above average? What about your nonsmoking area and your smoke eaters?

Did the hall's kitchen barely pass its last health department inspection? How is the food presentation and menu? Are specials run and are changes made to the regular items? Do the concession workers provide tableside delivery?



What about your bingo workers? Are they polite, courteous, friendly, and more than willing to go the extra mile? One rude employee can chase a lot of players to your competition.

Finally, what about the bingo equipment? Is it held together with duct tape? What about the lighted boards? How long before burned out bulbs are replaced? Is the hall still using the same old 12" black and white monitors, while the casino down the road is using 48" plasma screens? Are working, portable, wireless microphones available for the floor workers?

Although the decline in bingo attendance is not directly attributable to either the bingo licensees, the bingo halls, or casinos, the solution can only be achieved if we all work together. If you play in a licensed bingo hall, your landlord needs to provide a pleasant environment for the bingo players. Conduct an exciting program that provides incentives for old and new players to come to your bingo.

CG has conducted a limited test in Genesee County to look at the viability of linking Michigan progressive jackpot bingo games to create larger jackpots. We will continue to research ways to make bingo more competitive.



# Reduce Hassles on Seal Card Games

Charity game tickets that use seal cards, such as **Emerald Club** and **Rock & Rollover**, are extremely popular at bingo occasions. These games, however, require extra attention from your workers. The following steps could eliminate disputes during your bingo occasion.

1. Before opening a box of tickets, verify the serial number on the seal card matches the serial number on the box. On occasion, the manufacturer or the person in charge of the charity game tickets will accidentally mismatch the seal card with the wrong box of tickets. If you should come across a box of Emerald Club or Rock & Rollover that has the wrong serial number on the seal card, keep it sealed and contact your supplier.
2. Do not sell two boxes of Emerald Club at the same time. The chances for worker error and player confusion greatly increase when multiple games are being sold.
3. Never sell two boxes of Rock & Rollover at the same time. Like Emerald Club, the chances for worker error and player confusion greatly increase when multiple games are being sold. Also, since this is a progressive game, to maintain the integrity of the game, a progression must be played out before a new box is opened.
4. As you are unveiling the winning signup number (Emerald Club) or diamond number (Rock & Rollover), tear the tab completely off. This increases the integrity of the game for both your players and the Charitable Gaming Division.
5. Verify the serial number on the winning ticket before paying the prize.

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## Frequently Asked Questions



What is our responsibility if an electronic bingo card minding device (EBCMD) or the electronic bingo card system (EBCS) malfunctions?

**Q: *Are we required to stop the game?***

**A:** No. The decision whether to stop the game is left to the discretion of the bingo chairperson. It probably does not make sense to stop the game if only one EBCMD has malfunctioned. However, if many EBCMDs are malfunctioning, it may be an indication that there is a problem with the EBCS and you may want to stop the game until the problem has been resolved.

**Q: *Are we required to pay out a prize for a missed bingo?***

**A:** No. Directive No. 3.02.01 Electronic Bingo Cards (Bingo Licensee), #16 states, “*The bingo licensee is not responsible for any bingo that cannot be verified due to EBCMD or EBCS failure.*”

The directive requires that this statement be included in your house rules.

**Q: *Are we required to refund a player's money?***

**A:** No. However, Directive No. 3.02.01 Electronic Bingo Cards (Bingo Licensee) requires that you retain at least one EBCMD as a back-up device. If an EBCMD in use malfunctions, you are required to reload the player's same cards to the back-up device and provide it to the player.

The directive also requires that a refund policy be included in your house rules. If there are no back-up EBCMDs available and your policy calls for a refund you must follow the voiding procedure outlined in the directive.

## Organization Spotlight

### Howell Elks # 2168

**Howell Elks # 2168** supports their local community by sponsoring a Cub Scout troop, working with the Boy Scouts, and having Christmas, Easter, and Halloween parties for the special needs children of their community. They support local DARE programs, have a soccer and hoop shoot contest, support youth week, have family fun day, and they adopt a special needs family during Christmas and Easter.

The Howell Elks sponsor many ARC (Association for Retarded Citizens) dances each year, hold blood drives every 8 weeks, and support the veterans in their community. They collect deer hides to make gloves and crafts for veterans. They also hold fundraisers for special needs children and for the Elk's national foundation.

The Benevolent Protective Order of Elks is a fraternal organization that benefits many local, state, and national charities. The national foundation supports veterans and provides annual scholarships including one \$60,000 scholarship for an outstanding boy or girl.

Last year, the State of Michigan Elks Association sent 360 special needs children to camp. Also, Michigan's Gold Key Scholarships provided financial awards to 20 special needs students for higher education.

The Elks is a great organization that instills values in children, promotes community strength, and donates a hand where needed.



## New Faces

**Ron Wells** has been hired as an Inspector for District 4, which includes Ingham, Eaton, Ionia, Kent, Jackson, Clinton, Gratiot, and Montcalm counties.

Ron received his Bachelor's Degree from Western Michigan University in Criminal Justice. Prior to becoming an inspector, Ron worked as a police officer for ten years, seven of which were spent with the Port Huron Police Department.

**Nadia Shahin** has been hired as inspector for District 8. District 8 covers parts of Wayne and Macomb counties.

Nadia is a graduate of Michigan State University with a degree in Criminal Justice. In the past, Nadia has worked for the Michigan State University Athletic Department and for the Target Corporation's Assets Protection Department working in internal investigations.

## Legal Action

### St. Stevan Decanski Serbian Orthodox Church, Warren

William F. Ward, former chairperson, was found guilty of Embezzlement Over \$1,000. The 16<sup>th</sup> Circuit Court in Macomb County sentenced him to probation plus restitution and court costs totalling over \$5,800.

# Administrative Action

## Suspended Licenses

Organization	City	Violation(s)	Length	Date	License
Eagles 3734	Holt	Failure to account for all funds; failure to maintain accurate/current records.	12 weeks	2/1/04	Annual CGT
Moose 158	Port Huron	Failure to deposit proceeds in a timely manner; violation of probation.	1 week	5/16/04	Annual CGT
Eagles 3552	Charlotte	Failure to account for all funds; violation of probation.	7 weeks	5/23/04	Annual CGT
VFW 4034 (A03418)	Houghton Lake Hts.	Failure to follow the bureau's voiding directive; failure to account for all verification slips; failure to maintain accurate/current inventory record of disposable bingo cards.	2 weeks	5/23/04	Bingo
VFW 4034 (A21260)	Houghton Lake Hts.	Failure to follow the bureau's voiding directive; failure to account for the sale of charity game tickets; failure to maintain accurate/current inventory record of disposable bingo cards.	2 weeks	6/6/04	Bingo
Moose 1157	Rockwood	Failure to account for all funds; failure to maintain accurate/current records.	2 weeks	7/4/04	Annual CGT
Moose 933	Dowagiac	Failure to account for all funds; failure to maintain accurate/current records.	3 weeks	10/10/04	Annual CGT
YWCA of Greater Lansing (A21130)	Lansing	Game program and house rules inaccurate and/or incomplete; failure to follow the bureau's directive for voiding verification slips.	1 week	10/10/04	Bingo
YWCA of Greater Lansing (A20997)	Lansing	Game program and house rules inaccurate and/or incomplete; failure to follow the bureau's directive for voiding verification slips.	1 week	10/17/04	Bingo
Eagles 4321	Greenville	Failure to account for all funds; failure to maintain all game records.	1 week	10/24/04	Annual CGT
YWCA of Greater Lansing (A01882)	Lansing	Game program and house rules inaccurate and/or incomplete; failure to follow the bureau's directive for voiding verification slips.	1 week	10/24/04	Bingo

## Summarily Suspended Licenses

Organization Name	City	Violation(s)	Date	License
Wayne Ford Civic League (A00828, A20990, A21068, & A20992)	Westland	Hindering or obstructing bureau personnel in the performance of their duties; bingo net proceeds diverted for questionable purposes.	7/9/04	Bingo
Wayne Ford Civic League Senior Citizens (A20848, A20991, & A21007)	Westland	Hindering or obstructing bureau personnel in the performance of their duties; bingo net proceeds diverted for questionable purposes.	7/9/04	Bingo
St Dunstan's Theatre Guild of Cranbrook, Inc.	Birmingham	Unauthorized and/or unlawful compensation to ticket sellers; illegal advertising of a licensed gaming event; improper advertising content; failure to maintain financial records and account for all monies.	2/4/04	Raffle

## Voluntary Surrender of Bingo License

Organization Name	City	Date	License
St. Casimir School Parent Association	Detroit	2/29/04	Bingo
Democratic Committee 2nd Congressional District	Coopersville	5/25/04	Bingo
Flatlanders Bow & Gun Club (A04555 & A21150)	Wayne	10/31/04	Bingo
St. Casimir School (A00315 & A21189)	Detroit	10/31/04	Bingo



## Area Training Meetings

Charitable Gaming inspectors conduct statewide training sessions for licensees covering topics such as recordkeeping, rules, and accountability. We encourage you to attend any meetings in your area to stay current on the latest charitable gaming news and requirements.

The following training meetings will be covering raffles, millionaire parties, bingo, and charity game tickets. All meetings are scheduled for 6:30 p.m.

January 10  
Merchant Building  
602 N. Dean Street  
Adrian, MI

March 10  
American Legion 449  
299 E. Huron Blvd  
Marysville, MI

May 9  
VFW 3243  
1148 N. Leroy Street  
Fenton, MI

February 17  
VFW 6252  
5990 E. Michigan  
Comstock, MI

April 19  
VFW 7729  
6285 E. Apple Ave  
Muskegon, MI

June 7  
Hudson Township Hall  
8191 Reynolds Road  
Elmira, MI

This schedule is subject to change. Please check our website for the most current list of training meetings.